

AN ORDINANCE 100202

APPROVING THE TERMS AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE TAX PHASE-IN AGREEMENT WITH UNITED HEALTHCARE SERVICES, INC., ("UHS") AND TODAY UNIVERSITY PARK TECH CENTER III, L.P., ("TODAY") TO REVISE THE JOB CREATION REQUIREMENT FROM 107 TO 54 JOBS AND TO ADJUST THE TERM FROM SIX TO THREE YEARS, THEREBY ENDING THE TERM OF THE AGREEMENT ON DECEMBER 31, 2004.

* * * * *

WHEREAS, on December 20, 2001, City Council approved a Tax Phase-In Agreement (the "Agreement") with United Healthcare Services, Inc., and TODAY University Park Tech Center III, L.P.; and

WHEREAS, United Healthcare Services, Inc., is the corporate administrative entity of UnitedHealth Group (UHG), headquartered in Minnetonka, Minnesota; and

WHEREAS, UHG is the largest healthcare organization in the world with \$28.8 billion in 2003 revenues and 35,000 employees; and

WHEREAS, the six-year Agreement was for 100% abatement of taxes on \$2.45 million of real property improvements; and

WHEREAS, as part of the consideration of the Agreement, UHS agreed to create 107 new full-time positions by the end of 2003; and

WHEREAS, UHS has to date created 66 new full-time jobs with average wages of \$18.94 per hour; and

WHEREAS, UHS and TODAY initially met the requirements of the City's Tax Phase-In Guidelines and the UHS project supported the City's Strategic Plan for Enhanced Economic Development by encouraging the retention and expansion of local businesses; and

WHEREAS, although UHS has not met the contract requirement of creating 107 new jobs, it has far exceeded the basic Tax Phase-In Guideline requirements for job creation (26 jobs), investment (\$1 million in real property improvements) and wages (minimum \$8.25 per hour); and

WHEREAS, because UHS no longer expects to create or maintain 107 jobs at the San Antonio facility, but instead create 66 jobs and maintain an additional 216 jobs locally, staff recommends that the Agreement be amended to terminate 3 years early, effective December 31, 2004 and that the job requirement be adjusted to 54 jobs; and

WHEREAS, notwithstanding this early termination of the Agreement, other provisions of the contract, including tax recapture provisions which the City may exercise if UHS fails to continue its operation with a minimum of 54 employees through December 31, 2011, will remain in effect; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council hereby approves the terms of the Amendment to the City's Tax Phase-in Agreement with UHS and TODAY, first approved in 2001, to revise the job creation requirement from 107 to 54 jobs and revising the Term of the Agreement from six to three years, thereby ending the Term of the Agreement on December 31, 2004, as more particularly described in Attachment I.

SECTION 2. The Interim City Manager or his designee is further authorized to execute the Amendment referenced in Section 1 for a period of 60 days from the effective date of this ordinance.

SECTION 3. This Ordinance shall be effective on and after the tenth (10th) day after passage hereof.

PASSED AND APPROVED THIS 16th day of December, 2004.



M A Y O R

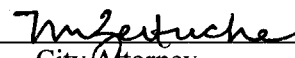
EDWARD D. GARZA

ATTEST:



City Clerk

APPROVED AS TO FORM:



for City Attorney

Agenda Voting Results

Name: 58.

Date: 12/17/04

Time: 12:53:20 AM

Vote Type: Multiple selection

Description: An Ordinance approving the terms and authorizing the execution of an amendment to the Tax Phase-In Agreement with United Healthcare Services, Inc., and TODAY University Park Tech Center III, L.P., to revise the job creation requirement from 107 jobs to 54 jobs and to adjust the term from six (6) to three (3) years, thereby ending the term of the agreement on December 31, 2004. [Presented by Ramiro A. Cavazos, Director, Economic Development; Jelynn LeBlanc Burley, Assistant City Manager]

| Voter | Group | Status | Yes | No | Abstain |
|--------------------|-------------|-------------|-----|----|---------|
| ROGER O. FLORES | DISTRICT 1 | Not present | | | |
| JOEL WILLIAMS | DISTRICT 2 | | x | | |
| RON H. SEGOVIA | DISTRICT 3 | | x | | |
| RICHARD PEREZ | DISTRICT 4 | | x | | |
| PATTI RADLE | DISTRICT 5 | | x | | |
| ENRIQUE M. BARRERA | DISTRICT 6 | | x | | |
| JULIAN CASTRO | DISTRICT 7 | Not present | | | |
| ART A. HALL | DISTRICT 8 | | x | | |
| CARROLL SCHUBERT | DISTRICT 9 | | x | | |
| CHIP HAASS | DISTRICT_10 | Not present | | | |
| MAYOR ED GARZA | MAYOR | | x | | |